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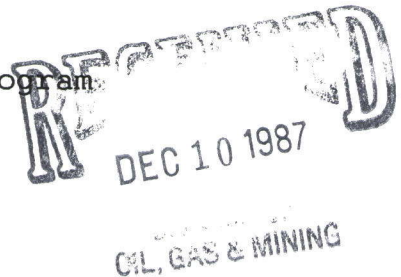
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JAMES F. SHEPHERD

December 8, 1987

Mr. Lowell P. Braxton, Administrator  
Mineral Resource Development and Reclamation Program  
Division of Oil, Gas and Mining  
Department of Natural Resources  
State of Utah  
355 West North Temple  
3 Triad Center - Suite 350  
Salt Lake City, Utah 84180-1203



Re: Mining and Reclamation  
Plan/M/027/008-(86)1 - Crystal  
Peak Minerals Corporation  
Sevier Lake Project, Millard  
County, Utah

Dear Lowell:

By notice of tentative approval dated February 23, 1987, the Division of Oil, Gas and Mining approved a "Pilot Phase Test Operation" under the captioned "permit number" subject to certain concerns that were expressed in that letter. The primary concern dealt with the surety bond for the reclamation estimate which was furnished and acceptance confirmed by your letter of September 10, 1987. You also indicated that the BLM environmental assessment and stipulations which might relate to the project should also be supplied. I understand that you now have copy of the BLM's Environmental Assessment which was subsequently completed.

For your information, the federal potassium leases which cover the federal lands in the Sevier Lake Project were issued to Crystal Peak Minerals Corporation by BLM decision dated December 3, 1987. Thus, the land position of Crystal Peak Minerals Corporation in and to the entire area is now confirmed and in place by reason of this latest BLM action.

As indicated to you in my letter of December 2, 1987 with which I enclosed a proposed Board Contract to replace the present existing reclamation surety bond, I mentioned that we would soon be filing an amendment to the Notice of Intention. Although the newly proposed regulations are not yet approved and effective, Crystal Peak has completed and I'm enclosing with this letter the form of Notice of Intention to Revise Large Mining Operations and Mining and Reclamation Plan to which is attached a detailed

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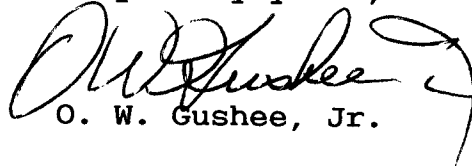
Lowell P. Braxton  
December 9, 1987  
Page two

description of "Planned 1988 Development Activities" for your review and approval. We are not sure whether or not this falls in the classification of "revision" or "amendment" because it merely represents an extension of the work which has already been accomplished at the Sevier Lake project. Review and approval is requested as soon as possible so that the 1988 work may promptly begin.

For your information, enclosed is Crystal Peak's letter of this same date to the Bureau of Land Management as a Partial Operating Plan in compliance with the regulations appearing at 43 CFR 3592.1(f).

Please advise if you have any questions or comments.

Very truly yours,



O. W. Gushee, Jr.

OWG:ka  
1089.05  
Enclosure

cc: Bureau of Land Management  
Utah State Office  
324 South State - Suite 301  
Salt Lake City, UT 84111-2303  
ATTENTION: Mr. Alan Vance